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SUPERMARKET BUSINESS

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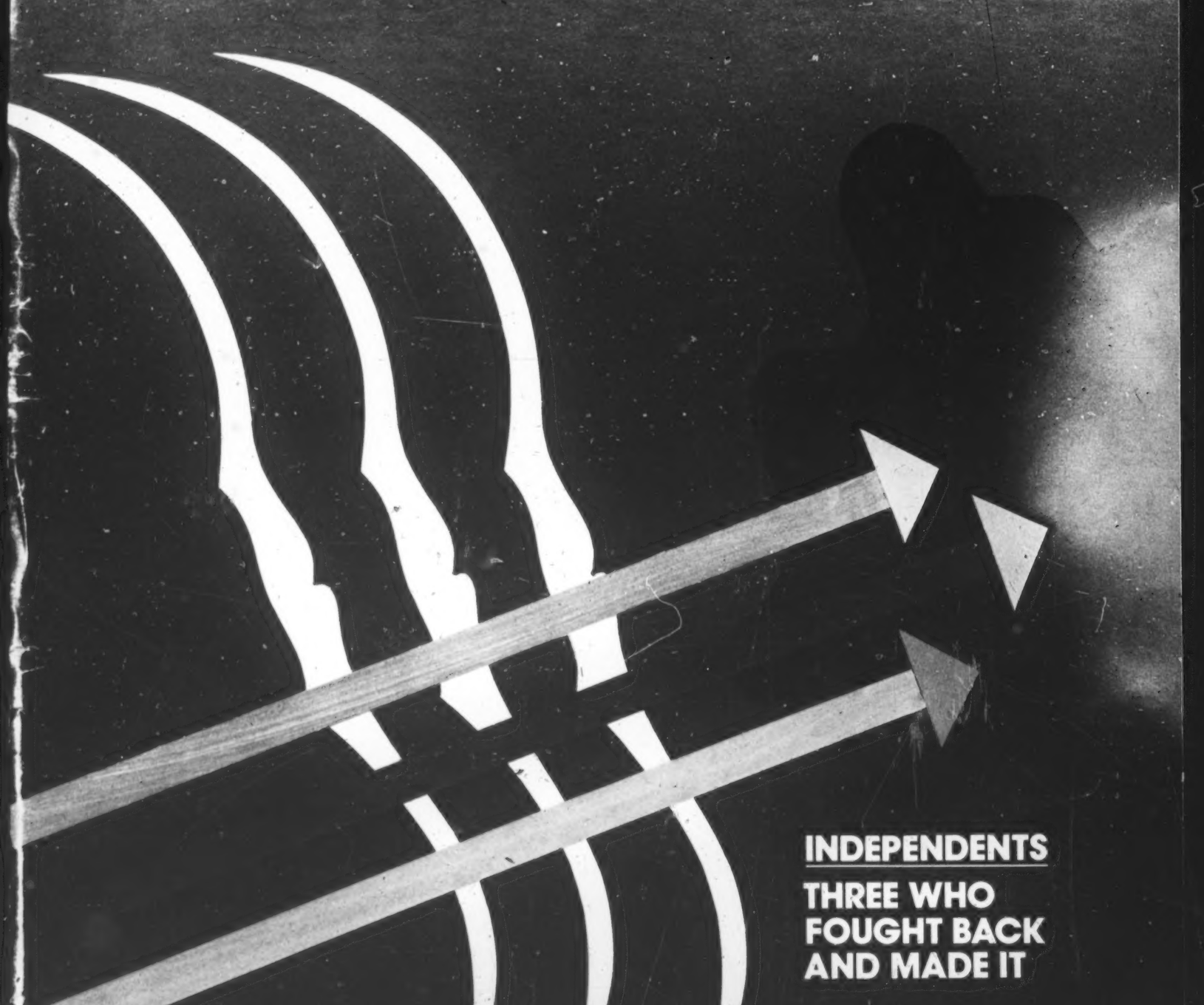
PART ONE
OF TWO PARTS

VOLUME 40/NUMBER 7
JULY 1985

Also In This Issue:
INSTORE BUSINESS
*in selected editions



INDEPENDENTS

THREE WHO FOUGHT BACK AND MADE IT

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SUPERMARKET BUSINESS

PART ONE OF TWO PARTS

VOLUME 40
NUMBER 7
JULY 1985

HOW THREE INDEPENDENTS FOUGHT BACK AND ARE MAKING IT 19

For the superpowers in retailing, new forms of competition can mean open warfare. For others though, open warfare is a last, and bad, resort. The independent can't afford to do battle in a big way. Some are learning, however, that there are things they can do. Here is a look at three independents who fought back, and how they did it.

IN INDIANAPOLIS... 20
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IGA PULLED OUT ALL THE STOPS

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FOOD GALLERY: 30
AN UPSCALE MARKET IN DOWNTOWN PITTSBURGH

This store has brought a service-oriented, upscale approach to a less-than-affluent, eclectic Pittsburgh neighborhood.

DISCOVER AMARRACA: 35
HOW ONE STORE HOPES TO BE A NEW WORLD OF RETAILING

Bugged by what he thought was the disagreeable nature of food shopping, Pittsburgh developer William Marra has created what he calls "a consumer's supermarket."

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THIRD ANNUAL OPERATIONS REVIEW

*In selected editions only.

NONFOODS BUSINESS: 45
THE STANDARD STORE'S CHALLENGE: KEEPING GM/HBA SHOPPERS FROM TURNING THEIR BACKS

With super stores heavily into GM/HBA and warehouse store holdouts waking up, today's shoppers have more choice than ever. Keeping his share of the profitable nonfoods business is the standard store operator's challenge.

SOMETIMES, B.A.D.D. IS GOOD 55
LLOYD'S HBA WAREHOUSE STORE

Lloyd's was looking for a way to convert a conventional supermarket into something else. He's done it with Big Al's Deep Discount, a low-cost HBA store with a selection of non perishable foods.

NONFOODS 'AS AN AFTERTHOUGHT' SCORE BIG AT TALLAHASSEE'S WAREHOUSE FOODS 59

They "play" nonfoods here, with creative cross-merchandising. And Warehouse Foods does well with them, for a store "not really into nonfood."

HOW TO MOTIVATE THE 'PROBLEM' EMPLOYEE 73
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It's a mistake to think that you can "manage" the problem employee. A better strategy is to control what you can: the situation and the consequences.

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A Korean supermarket in an old-fashioned Jewish neighborhood in New York is pulling in the regulars anew with the cachet of fresh sushi.

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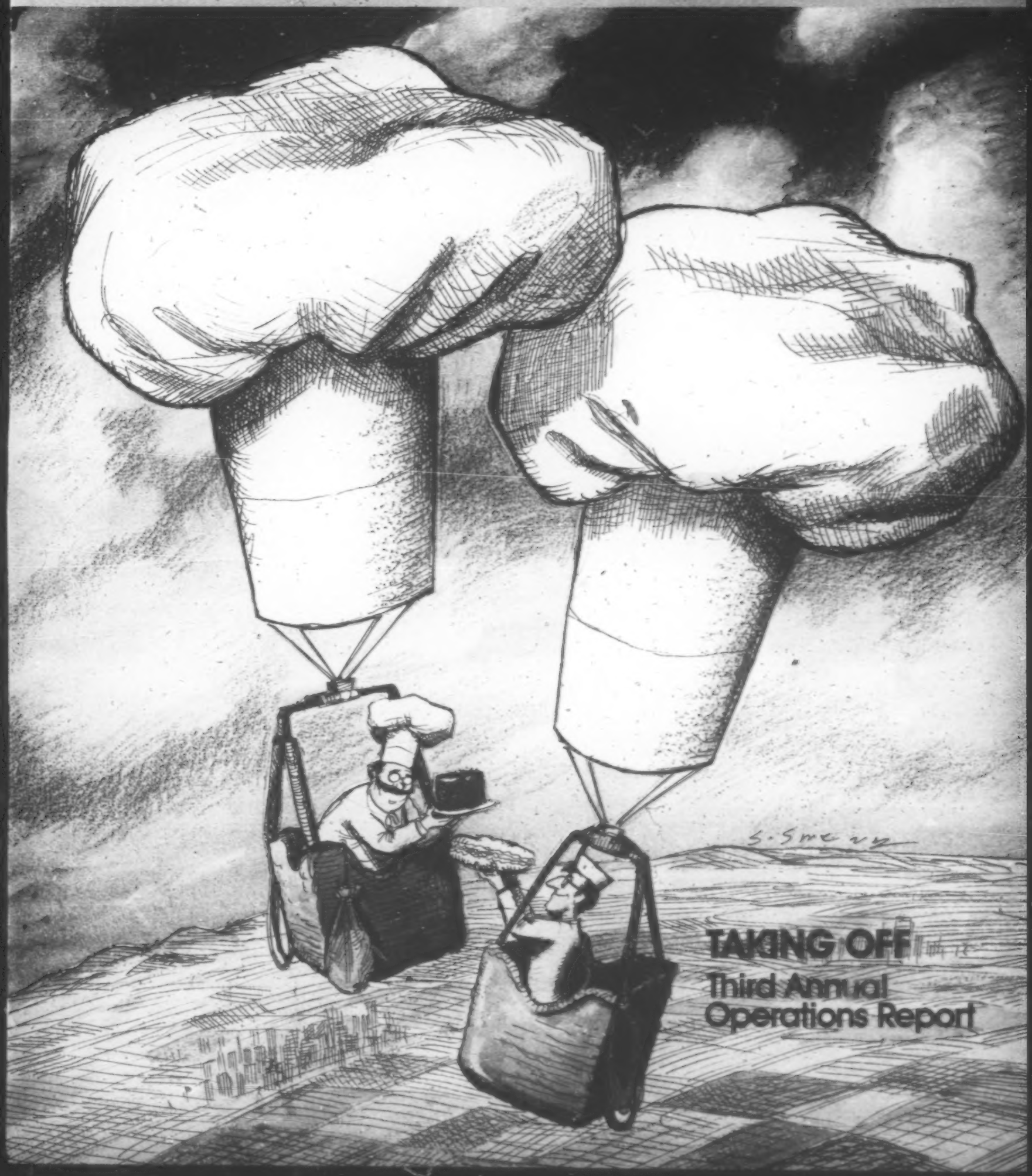
SUPERMARKET BUSINESS

PART TWO OF TWO PARTS

instore BUSINESS
FOR DELI, BAKERY & FOOD SERVICE

JULY 1985



TAKING OFF

Third Annual Operations Report

instore BUSINESS

FOR DELIS, BAKERIES & FOOD SERVICE

Be it through thoughtful calculation or old-fashioned dumb luck, the rise of in-store bakeries and service delis in supermarkets reflects the tempo of the times. The appeal of cheap food has faded along with double-digit inflation; "health" (often a code word for bland and dull) food plateaued with a loyal but limited constituency. The American taste has swerved toward freshness, novelty, taste and convenience.

And the rise of the nation's endlessly innovative and experimental bakeries and delis has kept pace. This report statistically confirms these departments' ascent. But it also points out that, as in every area of day-to-day affairs, there's still room for improvement...and identifies it.

As suggested by our airborne chef and baker, the sky's the limit.

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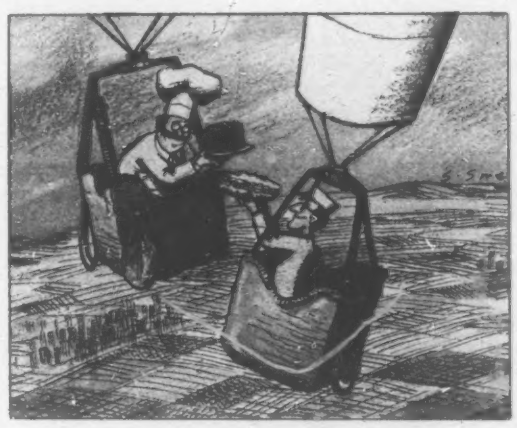
Bakery Report 7A
New Equipment 24A
What's New Instore 36A



Cover illustration by Stephen Sweny

Q. Who can bring more business to your deli?

A. Stouffer's. As good as can be.

Delicious Stouffer entrees and side dishes are made for you in half-size steamtable pans. For details call or write:

Food Service. From Stouffer's.
5750 Harper Road, Solon, Ohio 44139 · 216/248-3600 x2339

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THIRD ANNUAL OPERATIONS REPORT

INSTORE BAKERY REVIEW

PREPARED BY ROBERT DIETRICH

They take up a lot of space, present problems in personnel training, require expensive equipment, are sometimes misunderstood or ignored by store managers and prevent everyday inventory management programs in the form of stales. They are also outpacing every other department in the store in annual sales growth and are a proven crowd attracter and pleaser. They, of course, are instore bakeries.

In 1984, their number grew to 16,350, attaining a presence in 54.5 percent of supermarkets, as average weekly sales per store increased by 7.5 percent to $4,300. These two tracks of growth combined to elevate total sales of all instores to $3.65 billion, up 12.3 percent over 1983.

As increasingly health-conscious Americans cool down their alcohol intake and burn up the jogging track, they increasingly reward themselves with a wholesome, preservative-free sweet treat from the instore. Even washboard stomachs need an occasional reward.

Picking up that treat has become easier too, as techniques for bulk self-service presentation have proliferated. Side-by-side availability of packaged self-service, bulk self-service and traditional service in many cases exist.

Scratch/mix operations represent about 18 percent of instores as bake offs reach 50 percent and the other 32 percent combine the two disciplines. Bake-offs seem likely to continue to grow slowly in share, particularly as high-volume installations in large new stores (including super warehouse stores) acknowledge the difficulties of fielding a trained cadre of professional bakers or of training part timers to stretch beyond the most basic prep techniques.

Instores, given their usual advantage of being first in the store traffic pattern, still face the challenge of attracting more people out of that traffic than is currently the case (28.5 percent).

Honest efforts in that direction include better organized advertising and promotion (more space in weekly ads and more frequent sampling) as well as awareness of new product opportunities (croissants, cookies, crusty breads, bagels and muffins are far from exhausted, and we can only guess at their successors).

NOTE: For meaningful comparison with your own operations, two types of averages are shown in this report. The mean is a straight arithmetic average. The median represents the central value when the responses are arranged in rank order—meaning that half of the respondents gave an answer higher than the median and half gave a lower answer. The figures in this report are based on mail responses by industry executives responsible for over 10,000 supermarkets.

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19A — Number of Employees ... Sales per Employee ... How Much for Labor ... Cake Decorating

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THIRD ANNUAL OPERATIONS REPORT

SERVICE DELI REVIEW

PREPARED BY ROBERT DIETRICH

Something is cooking in the service deli department, which is fast becoming the acknowledged cauldron of new ideas in the contemporary supermarket. The new waves of changing American tastes in food are often felt first in the deli.

"A pound of potato salad, a half pound of Swiss and a pound of salami" may still be heard frequently across a typical deli counter, but new voices are being heard as well. The salad today may be a pricey crabmeat, offered with ideas for serving on a fresh baked croissant. The cheese of choice may be a new California goat cheese. And what fun is sliced meat after you've seen a counter full of pile-'em-high shaved meats?

Convenience, freshness, service and novelty—the hallmarks of a successful service deli—are often scarce commodities in other parts of new stadium-sized supermarkets. No other department offers comparable stimulation for the eye (crocks of salads artfully garnished and lighted), the nose (especially when the barbecue is in operation) and the mouth (sampling has vaulted to number one position among promotional techniques).

And no other supermarket department mandates human-to-human contact and guaranteed conversation about that most cherished of human activities—no, not sex—eating.

As deli directors and senior industry management came together this spring at a series of trade meetings, there was a palpable recognition that this is the moment of the deli and the moment of the instore bakery. Along with the produce department, they represent the way people want to, and can mostly afford to, live now.

No surprise then that the figures in this report show a further expansion to 16,700 service deli units (up 5.0 percent), racking up $5.17 billion in annual sales.

Operators are gaining a new perspective on what their customers really want, and it's not—or at least it's not only—good weekly price specials.

A study commissioned by The International Deli Bakery Association confirms that price takes a back seat to attractions such as cleanliness, service and quality.

Product mix (going upmarket), product presentation (more European casing) and product merchandising (more, and more artful sampling) will likely keep that deli cauldron bubbling.

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35A — Number of Employees ... Sales per Employee ... How Much for Labor ... Time for Prep and Service

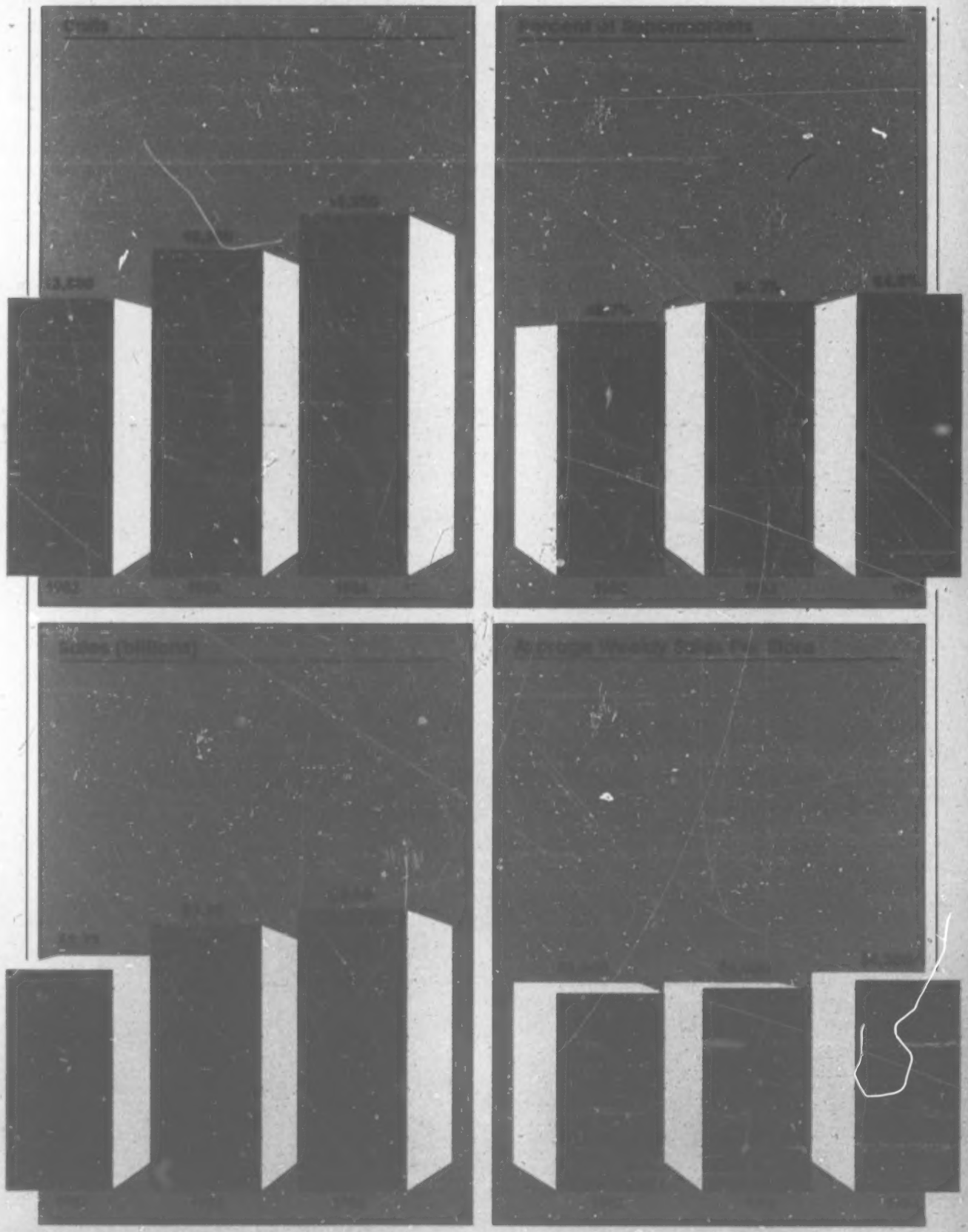
39A — Deli Items/Lines Most Frequently Added or Increased ... Portioning Out the Sales Dollar

40A — European vs. Traditional Casing ... The Well-Equipped Deli ... Preferred Location

42A — How Customers Spend ... Price Specials ... Advertising and Promotion ... Commissaries ... Sources of Salads

BAKERY: STATISTICAL REPORT CARD

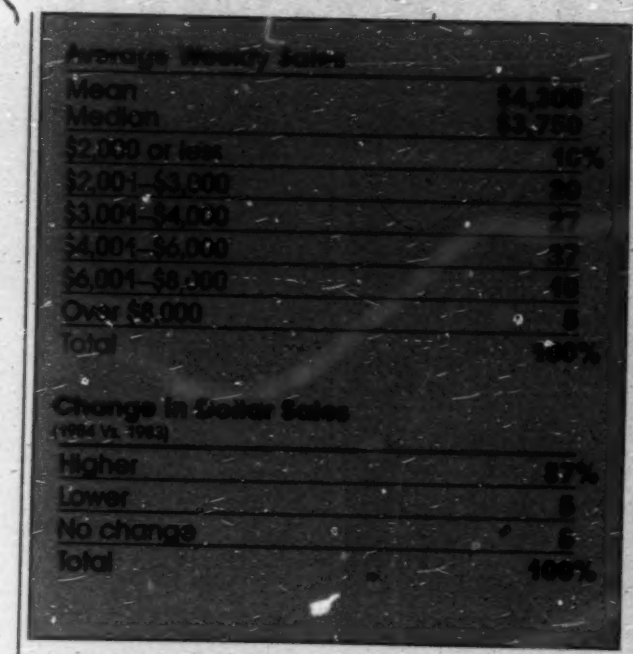
"Where's your bakery?" is a more likely question from first-time shoppers in a supermarket these days then "Do you have a bakery?" The answer to the latter question would be "yes" in 16,350 U.S. supermarkets, 54.5 percent of the total. Objections to bakeries such as "It's a different business from running a supermarket," or "They take up too much space," have melted like glaze on a doughnut in the face of their ability to recruit store-loyal shoppers, and enhance overall store image.

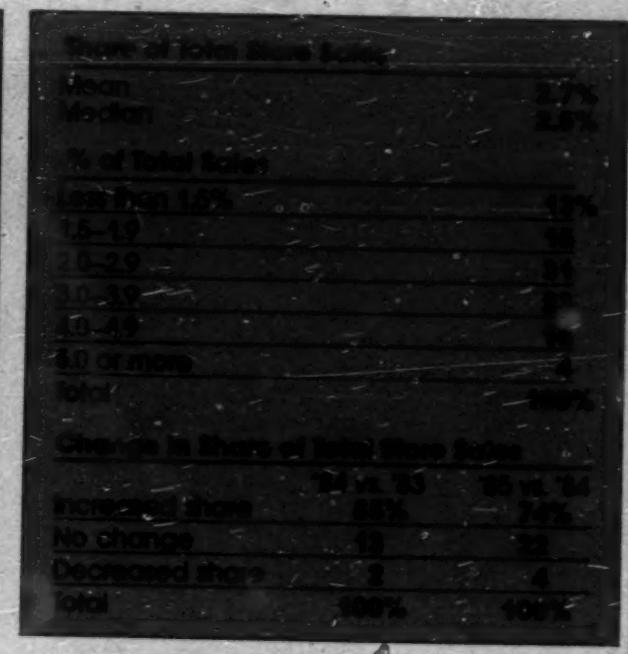


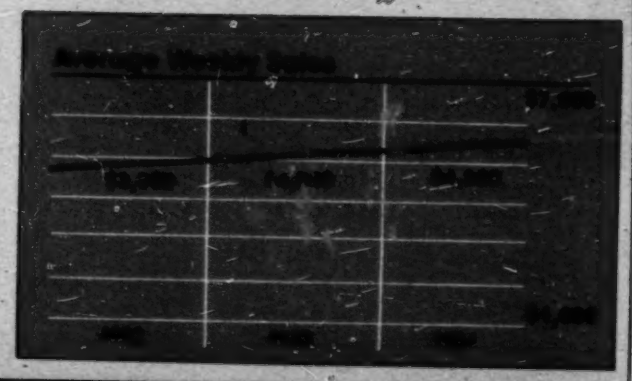
At the same time that instore bakeries are expanding and enhancing their repertoire of self-service merchandising techniques, average sales per bakery are growing at an increasing rate. Possibly, but not likely, a coincidence. Where not inhibited by local sanitation ordinances, stores are offering customers an array of self-service bulk opportunities that range from roll bins up to cakes on trays that customers box themselves. In 1984, sales of an average department increased a lively 7.5 percent to $4,300 a week.

INSTORE BAKERY REVIEW

Bakery's share of store sales edged up from 2.5 percent to 2.7 percent in 1984, a not inconsequential accomplishment in the face of competition from extended nonfoods departments in the same stores. Three out of four bakeries were able to record an increase in share of store sales. The demarcation line for gross margins is 50.0 percent, with half of operations exceeding that level and the other half falling short of it.







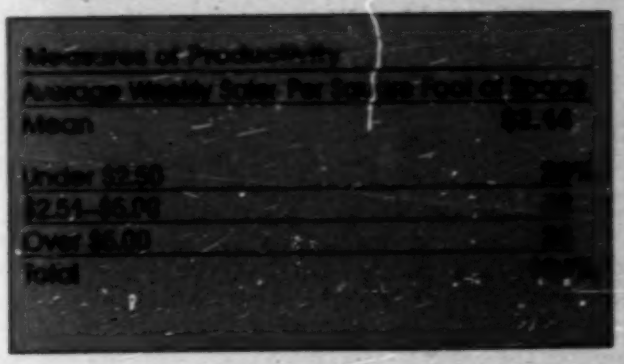
BEST NEW LOOKS

A&P's Sav-A-Center, Melville, N.Y.

Pies as big as compact cars and doughnuts the size of great danes signal shoppers to the abundance and freshness of baked goods in this newest of A&P prototypes. European-style baskets sitting on unfinished wood shelving reinforce the "just-baked" image without sabotaging the store's overall low-price positioning. Signing in changeable strips is both easy-to-read and accessible without getting in the way of the product.

INSTORE BAKERY REVIEW

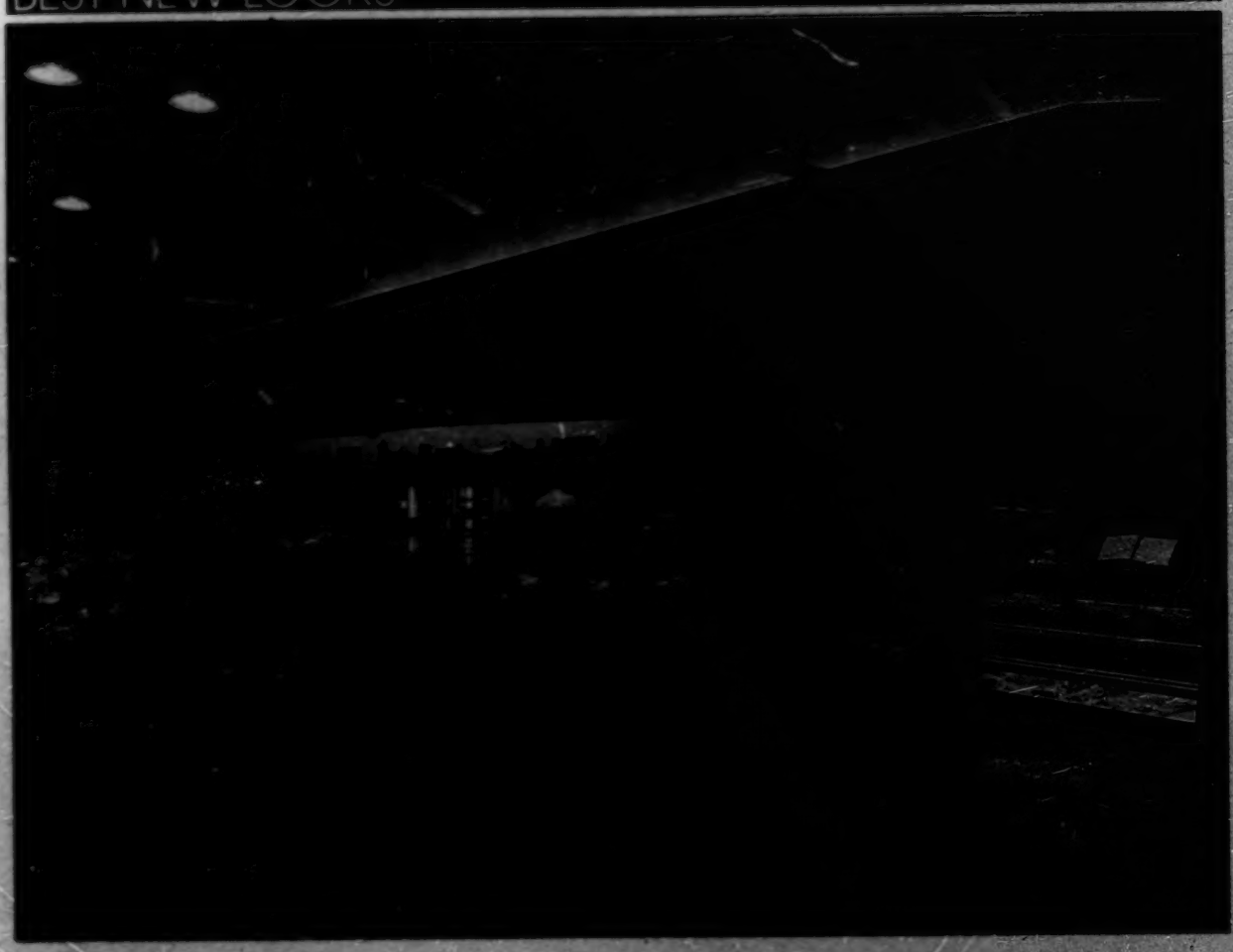
Equipment-intensive instore bakery departments consumed an average of 5.3 percent of store space at last count, unchanged from a year before. At the same time, their average space requirement grew to 1,370 square feet as newly opened stores continued to grow in size. But with sales growing at a faster rate than space utilized, the departments happily realized a 6.4 percent increase in weekly sales per foot, to $3.14. Bakeries find themselves joined to a deli in four stores out of 10.



BEST NEW LOOKS

Kohl's Food Stores, Milwaukee, Wis.

This recent remodel welcomes the shopper with "Larry's Deli on the Square," a four-sided island (partly shown on left) featuring fresh pizza, imported cheeses, sausages, dip ice cream, soft drinks and popcorn. Passing to the right of the island, the shopper finds the right wall accommodating a bakery department followed by deli. Grocery shelving in this part of the store is kept deliberately low so that the streamer sign announcing individual deli and bakery products can be clearly read from several aisles.

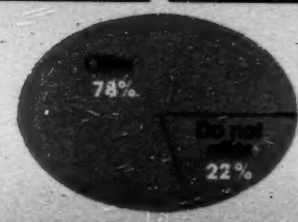


INSTORE BAKERY REVIEW

It takes the equivalent of 5.8 full-time employees to keep an average instore bakery fired up. Increasingly, bakeries try to keep fresh product coming out all day long rather than shut down the ovens at noon or earlier. And this means having production personnel assigned to keeping the shelves and bins from looking sold-down during those peak five-to-seven p.m. shopping hours. Sales per employees (FTE) edged up to $741 per week. Eight out of 10 stores have employees on hand trained in custom cake decorating.

Cake Decorating

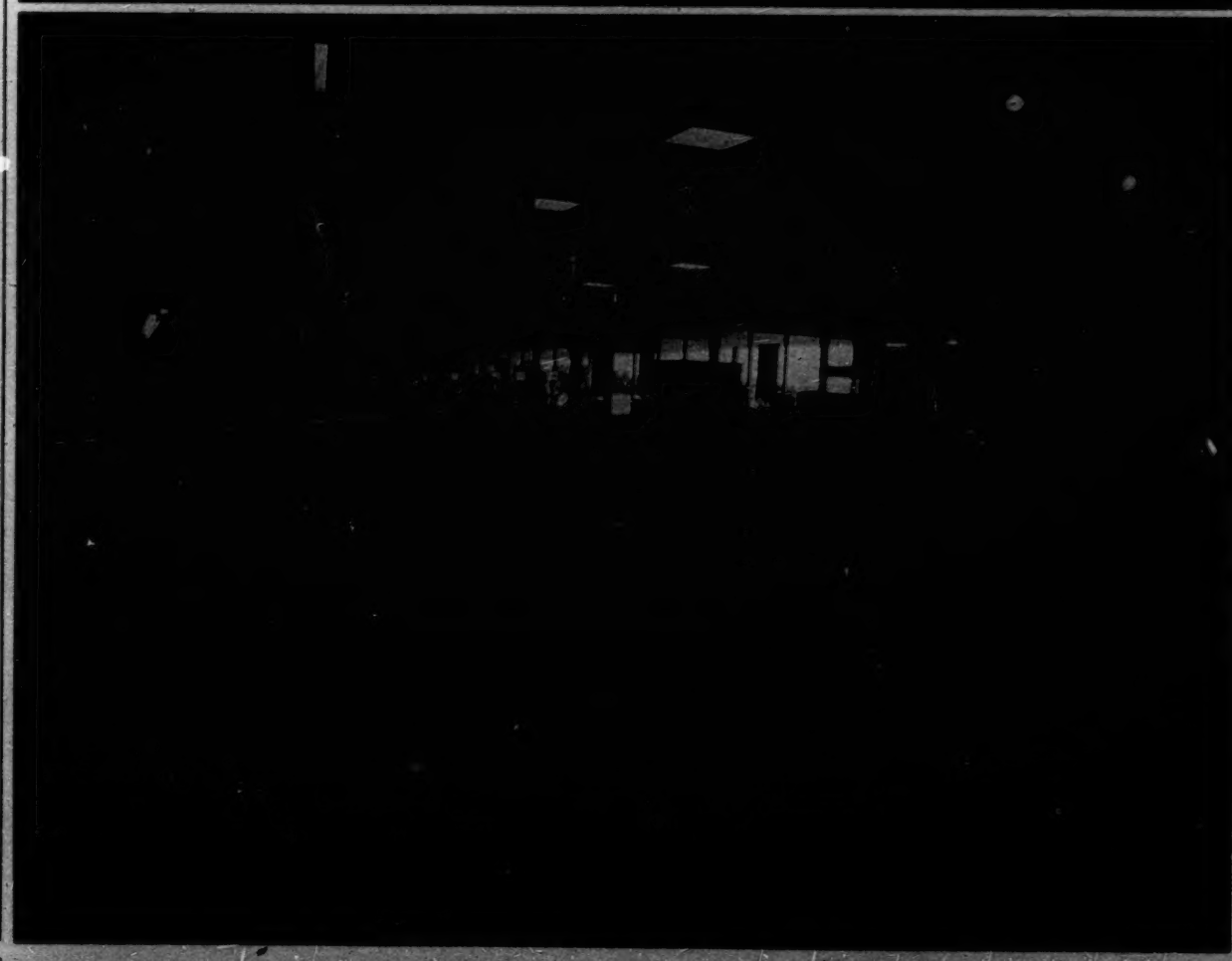
% of Stores Offering



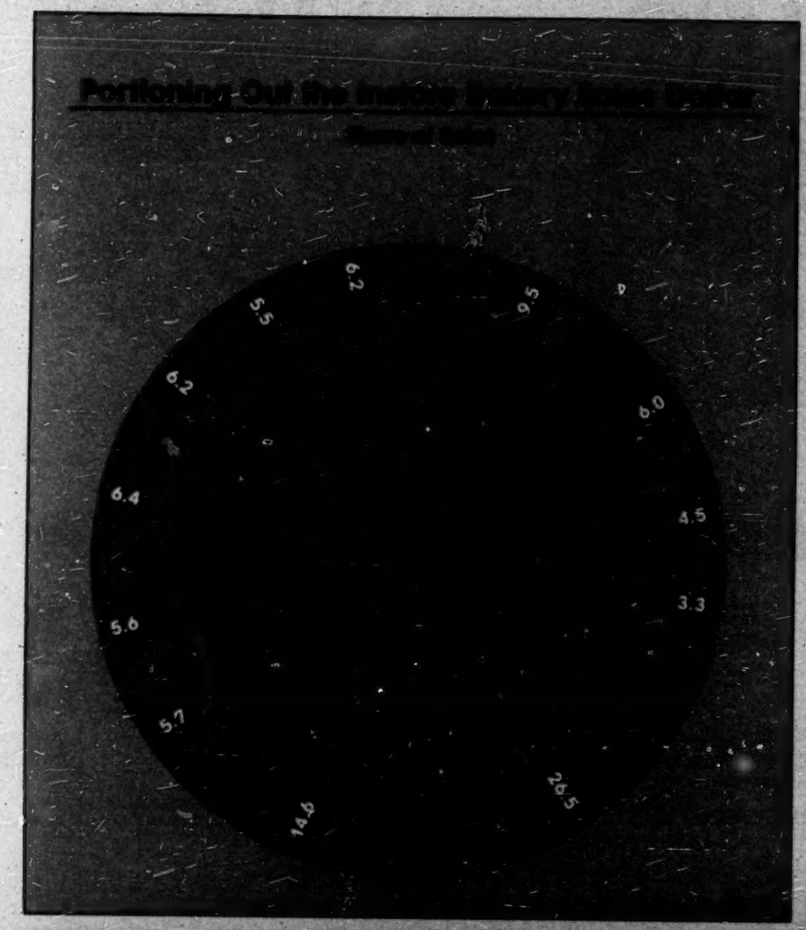
BEST NEW LOOKS

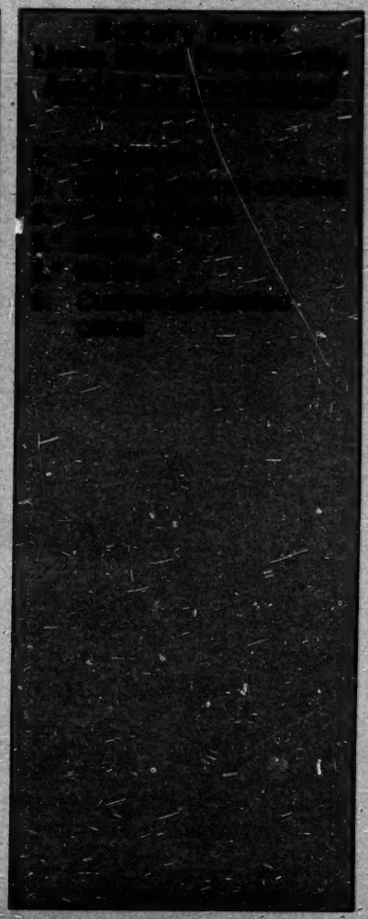
Pick 'n Save, Milwaukee, Wis.

Is a super-low-price image for groceries incompatible with a quality image for deli and bakery? "Not at all," says Joe May, partner in this super warehouse store. "Pick 'n Save makes people automatically think of low prices. So we asked our designer Dorothy Berggren (Berggren Designs, Chicago) to open up our deli-bakery area so customers could see the prep work going on and recognize the quality merchandise and cleanliness image we're projecting." Before reaching the deli-bake on the back wall of the store, customers pass through aisles of stacked-high, low-price groceries.



The ability to absorb new flavors or stuffings helps to sustain croissants high on the "new" list, as this borrowing from the French moves from "fad-and-fashion" to staple status. Although commercial baked goods sections are bulging under the weight of soft cookie introductions, instores report a good reaction to new soft and gourmet cookie offerings. Overall share of 1 white bread and rolls is receding slightly, although within that category there is increasing enthusiasm for crusty products.

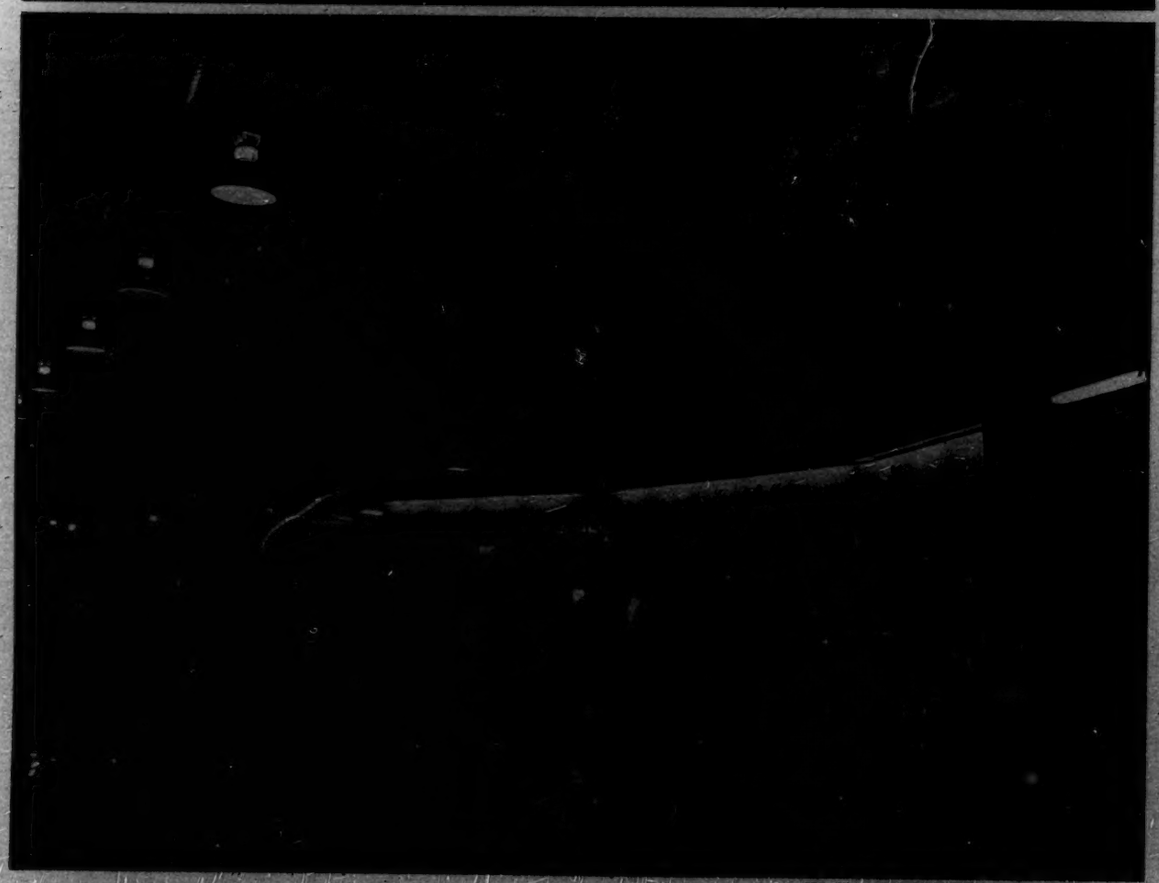




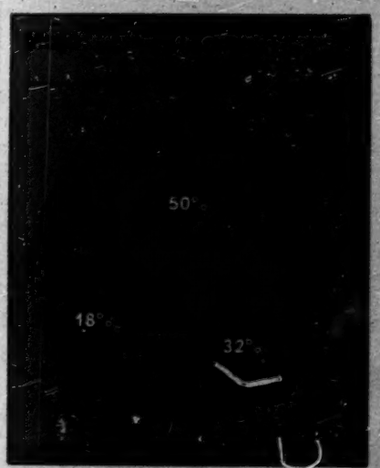
BEST NEW LOOKS

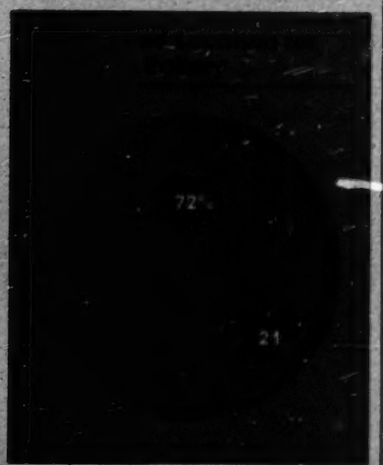
Super Shaw's, Dover, N.H.

Located in the front left corner of Shaw's prototypical new super store, the bakery and deli departments achieve a strong visual identity through the use of crayon-bright canvas awnings. While the bakery hugs the wall, the service deli occupies an island, one side of which is given to chilled beer. The service departments are given credit for the store's success vis-a-vis a Hannaford Bros. outlet of comparable size and only a croissant's throw away. The Shaw's design is from CDI Designs, Inc. (Riverdale, N.Y.).



The core of scratch/mix operators remained at 18 percent in 1984, as bake-offs grew from 46 percent to 50 percent (with an offsetting loss among combination operations). Whatever the method of preparation, sampling is likely to be used to tempt customers, and now outranks newspaper advertising as a method of influencing shoppers. Almost three out of four operators prefer to have the bakery first in line near the store entrance.

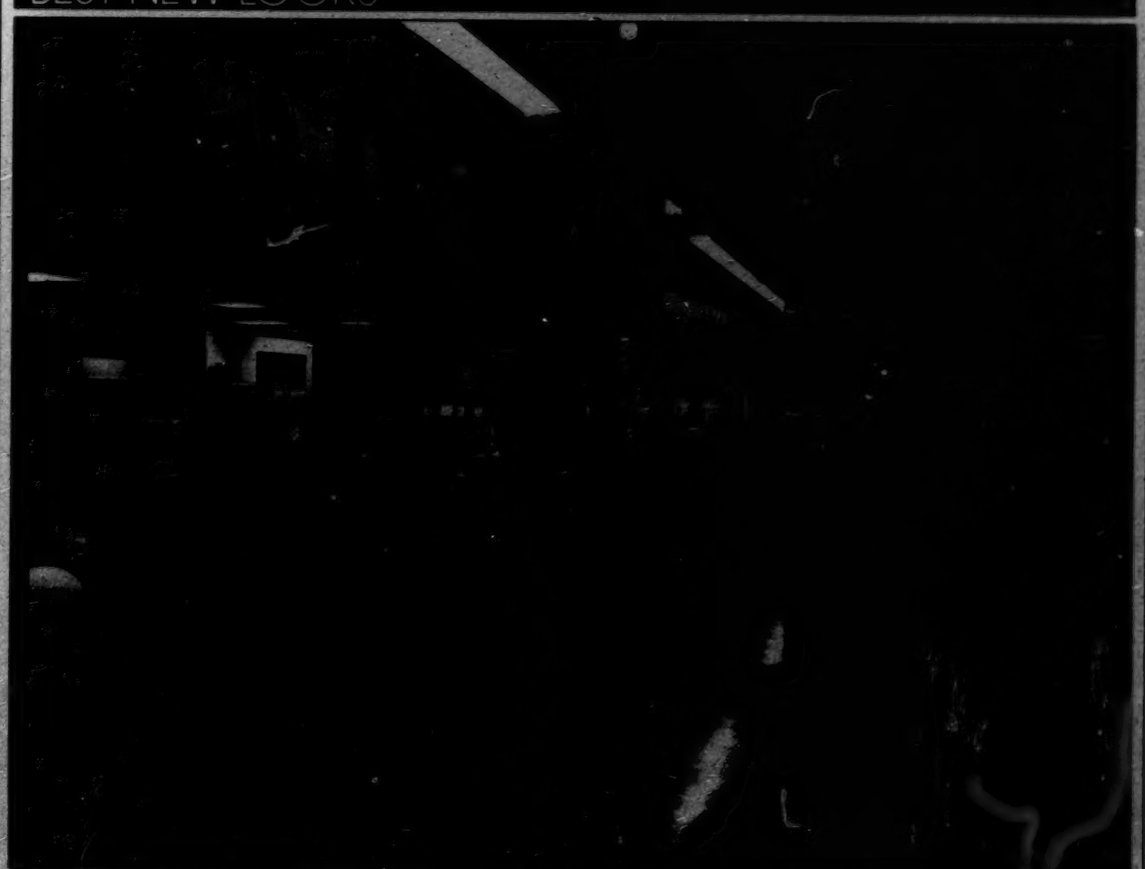




BEST NEW LOOKS

Xtra Super Food Center, Hialeah, Fla.

This larger-than-life super warehouse store (77,000 sq. ft. overall) shouts out its bakery location in four-foot-high black stenciling on a yellow awning. "The Bakery Factory" follows the store policy of making production workers as visible as possible. Several tables groaning under loads of packaged baked goods encourage shoppers to sweep an armful into their shopping carts. Hanging photomurals over the tables help give the department its own special identification.



On the whole, shoppers may be said to "pick their food" when it comes to the instore bakery. Only three in 10 make any purchase at all, and when they do, close to half spend less than a dollar. These are, of course, only averages. Merchandising-savvy operators do far better, as will others who emulate them. While bake-off dominates most products, mixes are strong for several products, including doughnuts.

How Customers Spend

Percent Who Step the Instore Bakery

Mean

Median

Methods of Preparation

Bread and roll	
Yeast-raised doughnuts	
Cake doughnuts	
Sweet rolls	
Cookies	
Pies	
Layered cakes	
Croissants	6%
Brownies	4%

The supply lines running to the nation's instore bakeries originate at several sources. Bakery distributors delivering direct to stores relieve pressure on grocery warehouse space.

Who Supplies Instore Bakeries

% Using

	Bakery Distributor/ Supplier	Grocery Wholesaler	Ingredients Manufacturer	Wholesale Bakery
Bake-off	58%	47%	21%	7%
Mix	61	36	43	9
Scratch	67	36	32	7

NOTE: Includes multiple citations.

Half of bakery executives expect their operations to move toward more self-service in the future, as the amount of service contracts and self-service bulk opportunities expand. Service, however, still accounts for 38 percent of sales.

Trends in Service

Direction Executives Expect Their Services to Move

48%

10

42

Service Vs. Self-Service

% of Total Dollars

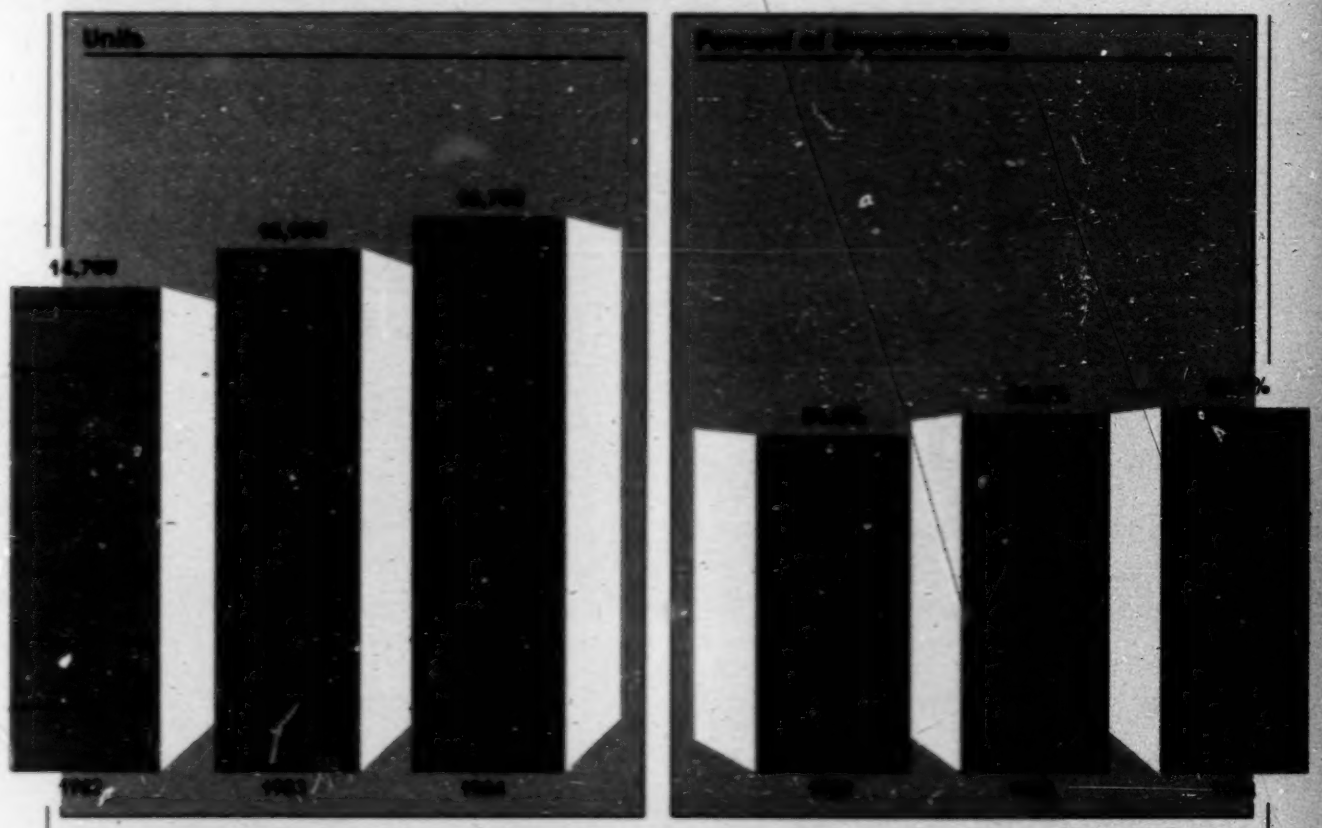
53

9

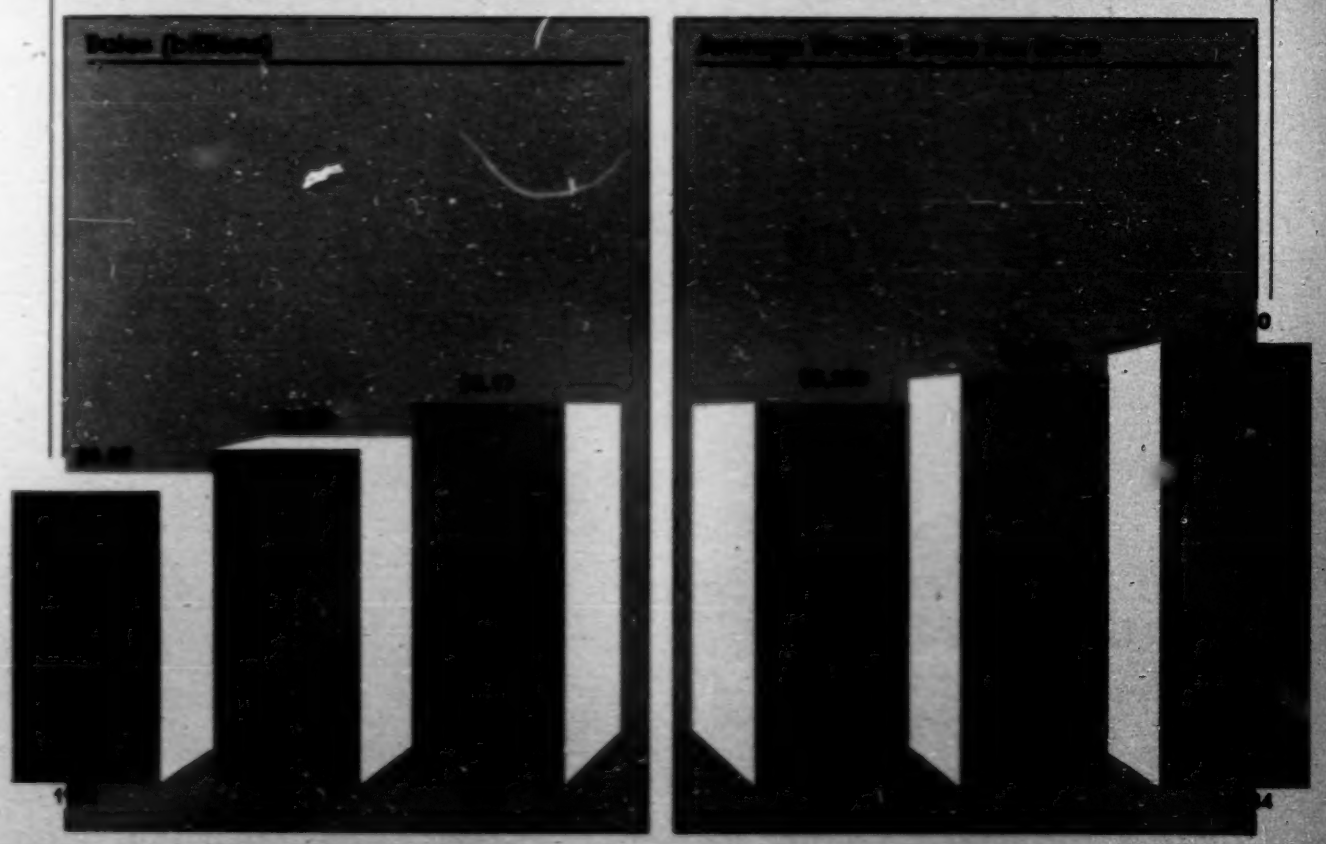
38

DELIS: STATISTICAL REPORT CARD

The population of service delis in U.S. supermarkets showed a net increase of 800 last year to 16,700, up 5.0 percent. Increasingly, service delis serve as a "position statement" for a new store, carrying the responsibility for projecting an image of both freshness and service. While approximately three out of four new delis are part of new store openings, one fourth are the keystone of plans to remodel or enlarge older stores. From upmarket super stores to low price super warehouse stores, no format can afford to overlook the allure of the service deli.



Sales of service delis in supermarkets passed the formidable five billion dollar mark last year. Despite their presence in only slightly more than half of all outlets, these departments showed a growth in sales (12.6 percent) that allowed them to leapfrog the grosses of such traditional store stalwarts as pet foods and soft drinks. Growth in average weekly sales was helped by the fact that most new departments are located in larger high-traffic new stores.



On average, service delis rack up four out of 100 sales dollars. Mere share of store sales, however, is an imprecise indicator of a department's health. For example, as outsized stores load up with enormous nonfoods sections, bulk foods, and service meat and fish departments, even the most robust service deli must happily settle for a more modest sales share. The median gross margin, meanwhile, remains at 40 percent, with half of service delis doing better and half not as well. Average weekly sales may be enhanced by two factors: (1) Upgrading of the product mix to include more gourmet rather than commodity items, as is the case with salads, and (2) increasing recognition in the industry that there may be too much emphasis on weekly price specials at the expense of the shoppers' real priorities: service and quality.

BEST NEW LOOKS

Winn-Dixie's Marketplace, Valdosta, Ga.

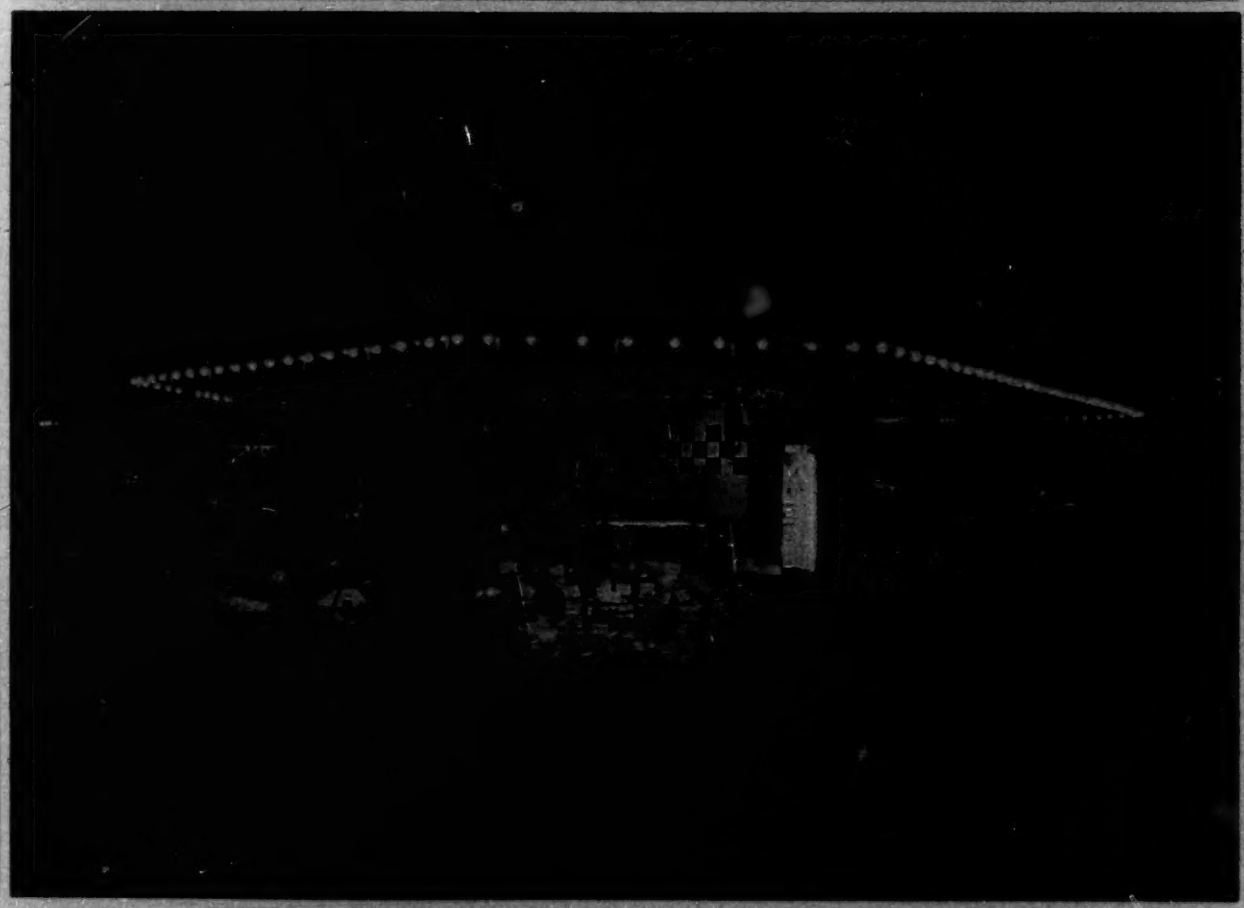
This upmarket prototype represents Winn-Dixie's latest competitive positioning. The island cheese shop shown here is a bridge between the bakery (center and right) and deli (left) departments. Suspended frames of hanging ferns lend a tone of both freshness and luxury. From the drawing boards of Herb Ross Designs (Bronx, N.Y.), this prototype is expected to be duplicated soon in the Greater Atlanta market as a counterthrust to the invading Cubs.

Even with the room given over to prep areas, service delis take a smaller percent of store space on the average than they register in store sales (3.7 percent of space versus 4.0 percent of sales). Averaging 925 square feet, these departments can be expected to grow as larger new stores allot them spacious accommodations. From store to store, sales per square foot in service delis shows wide variation, with a third of the stores averaging under $5.00 in weekly sales per square foot, while a few top $20. While arguments for and against the joint delibake seem likely to remain unresolved, the concept is entrenched in four out of 10 operations.

BEST NEW LOOKS

J. Bildner & Sons, Boston, Mass.

Located in a historic Back Bay mansion, this small-sized (5,075 square feet) store has made room for a deli operation that's strictly contemporary. Designed by CDI Designs (Bronx, N.Y.), the deli achieves its elegant patina by setting an array of delicacies in European cases, backing them with tiled walls, lighting them warmly, and manning them with uniformed and knowledgeable personnel. An unseen staff of nine labors in the basement kitchen.



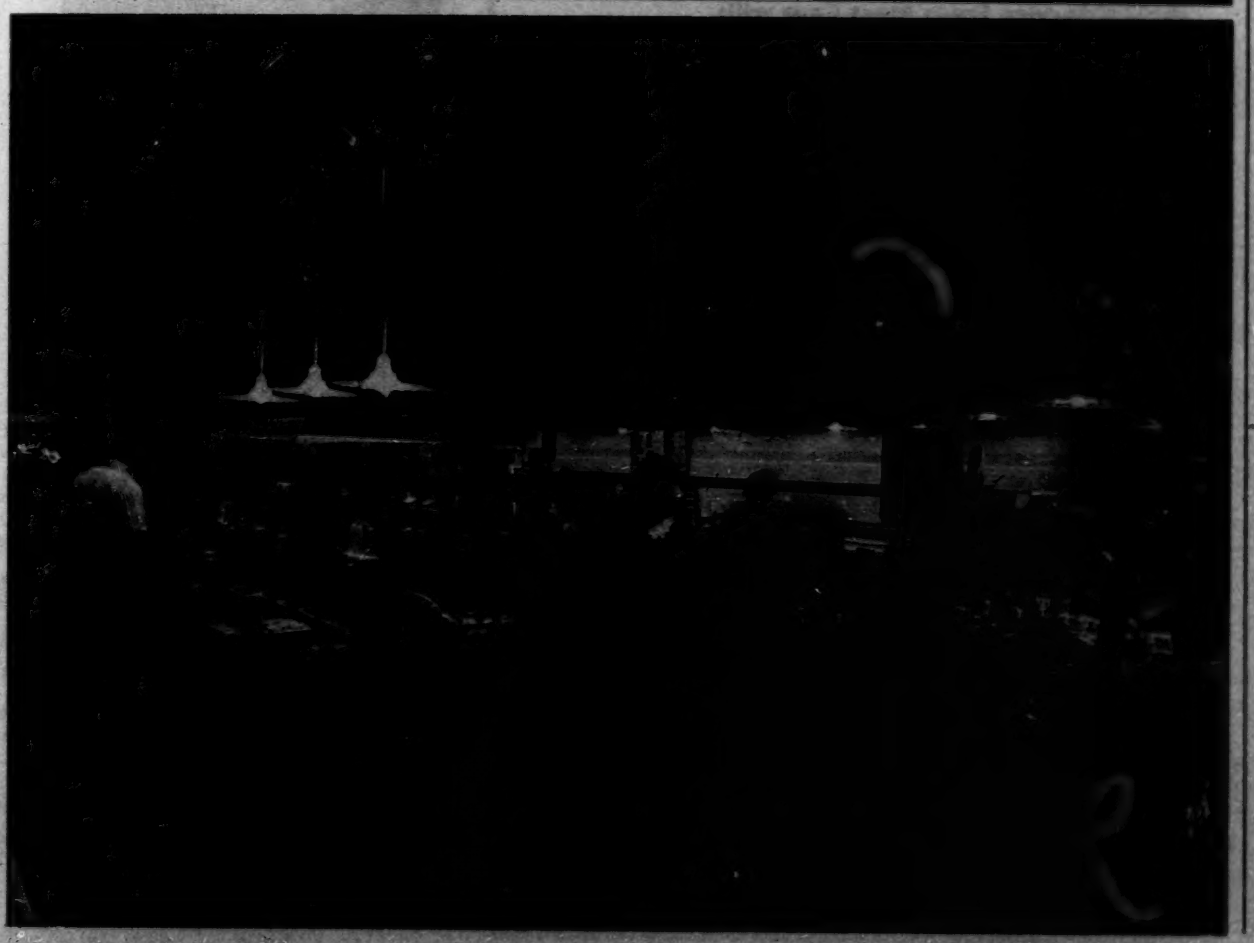
SERVICE DELI REVIEW

Almost inevitably, the balance in service deli workforces continues to shift toward part timers, with 2.7 part-time employees behind the counter for every full-timer. This, of course, has serious implications for training and supervisory standards, a subject that has been aired at recent industry meetings. Constant turnover of poorly paid, under-motivated workers does little to enhance the service image. Sales per employee remained flat in 1984, while labor as a percent of sales contracted slightly to 21.8 percent. Three quarters of the worktime in an average deli goes to customer service, with the balance allotted to prep, housekeeping, etc.

BEST NEW LOOKS

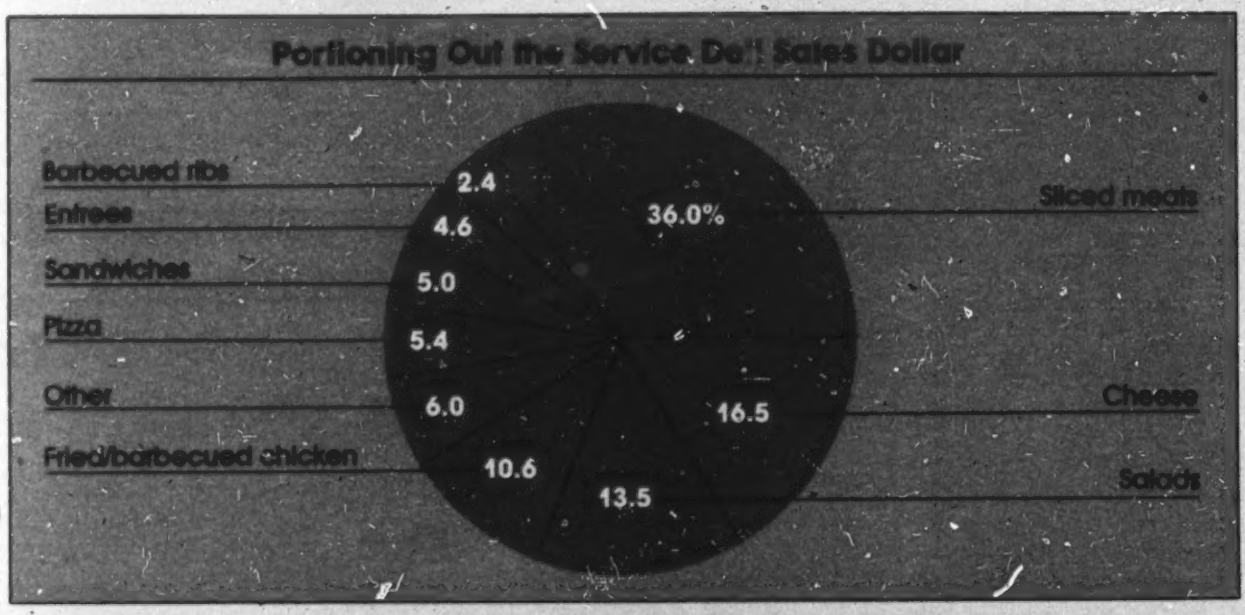
Shop N Bag, Larchmont, N.J.

"We wanted to make this like a corner deli, a separate entity tucked away where customers wouldn't see any other part of the store," says Lee Corman, vice president of nine-store Shop N Bag (Marlton, N.J.). Given this concept, Barbara Barker, president of Off the Wall Co., Inc. (Sellersville, Pa.), achieved the effect Corman wanted through the use of a dropped ceiling, a green canopy and product-directed lighting.



Service deli management must constantly re-edit its product mix to reflect changing customer preferences. Recently, that has meant adding more gourmet salads (pasta, not macaroni, please), new lines of sliced meats (often in the shaved format that continues to grow in popularity), and pizza, often prepared on premise to customer specifications. While less than one dollar in five presently goes to hot foods, many see it as one of the most promising potential growth areas, particularly if appealing lines of microwavable entrees can be developed and effectively merchandised. More attention is also being given to better organizing the deli sandwich business, with the establishment of sandwich stations.

Deli Items/Lines Most Frequently Added or Increased
1
GOURMET UPSCALE SALADS
2
NEW BRANDS OF SLICED SHAVED MEATS
3
PIZZA
Also: Sandwiches, crossaw sandwiches, cold barbecue section, fried chicken system, smoked products, hot and cold entrees, ice cream, salad bars, breads and thaw-and-serve pastry items.



BEST NEW LOOKS

Food Emporium, N.Y., N.Y.

Its garrets of starving artists having long been replaced by condos of high-income overachievers, Greenwich Village is proving a hospitable site for the newest Food Emporium sponsored by Shopwell, Inc. (Bronx, N.Y.). The wing-shaped deli department is located in the front left corner. The aluminum strips shimmering overhead provide an apt reflection of the rich assortment of fresh foods arrayed in the Nax casing below. (The calculated upscale image of the store extends to providing the security guard with a uniform fit for a Monagesque policeman.)

SERVICE DELI REVIEW

Few jewelers would recommend putting a multi-carat diamond in a setting fit for a zircon. With the same reasoning, deli planners are arranging their upgraded salad selections in ceramic crocks in European-style cases. With technology having largely cleared up early objections to European-style cases "drying up" product, they already have a five-to-four edge over traditional casing among those planning new installations. Many insist, however, that the cases must be restricted to situations appropriate to an upgraded product presentation. Several deli specialists who visited a much-publicized new U.S. hypermarket recently found the vast expanse of European style cases an inappropriate home for a lackluster and unappetizing assortment of commodity-type products.

Popularity of Display Casing Styles

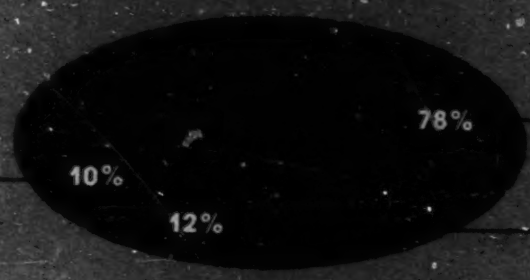
% Likely to Use in Upcoming Installations

New European-style casing	48%
Traditional casing	38
Both	14
Total	100%

The Well-Equipped Service Deli: % Stores That Have

Random weight scales	98%
Refrigerator (walk-in)	91
Freezer	82
Oven	74
Fryer	73
Stove	62
Steam table	58
Barbecue system	55
Coffee maker	46
Pressure cooker	42
Heated cabinets	38
Cold drink dispenser	36
Industrial mixer	35
Food processor	32
Hot dog grill	27

Preferred Location for Deli



BEST NEW LOOKS

Farm Fresh, Norfolk, Va.

In strongly competitive markets like Norfolk, price alone can't carry the day. Well-thought-out service departments can be a welcome ally, as proved by this deli in Farm Fresh's newest outlet. Arnold Ward Studios (Glen Cove, N.Y.), provided the deli with a strong yellow scribble-on-white-background lighted panel running across the top of the department. The warm glow of pink neon lighting draws shoppers closer.

SERVICE DELI REVIEW

Two challenges continue to confront the service deli and to restrain its growth: (1) raising the percent of store customers who make any purchase there, and (2) increasing the value of the average purchase among those who do stop. Only one in five customers shops the deli, spending an average of $3.40. To lure greater traffic stores offer an average of six price promotions a week, divvied up among sliced meats, cheeses and salads. Sampling has surpassed newspaper advertising as the most popular form of promotion. While some sampling programs just let the product sit there, others involve personnel who are trained to close the sale.

Only one company in five maintains a commissary from which stores can order. Adherents of commissaries cite both economies of scale and quality control. While half of commissaries have preparation from scratch ingredients as their main function, others function mostly as conduits from foodservice suppliers to stores. Four in 10 stores prepare at least some of their deli salads from scratch, although virtually none use that method exclusively.

Only one store in four has facilities for customers to consume their purchases from the deli on the premises. These can range from a standup counter to a well-appointed dining room.

How Customers Spend

Percent Who Shop the Deli	
Mean	22.4%
Median	21.8%

How Much They Spend	
Mean	$3.40
Median	$3.25
Under $2.00	13%
$2.01–$3.00	35
$3.01–$4.00	37
Over $4.00	15
Total	100%

Weekly Price Special Promotions

Average Number of Price Specials Offered Each Week	
Sliced meats	3.0
Cheeses	1.9
Salads	1.3

Advertising and Promotion Sell the Deli

% Using	
Sampling	91%
Newspapers	81
Circulars	71
Point of purchase	67
Radio	19
Television	14

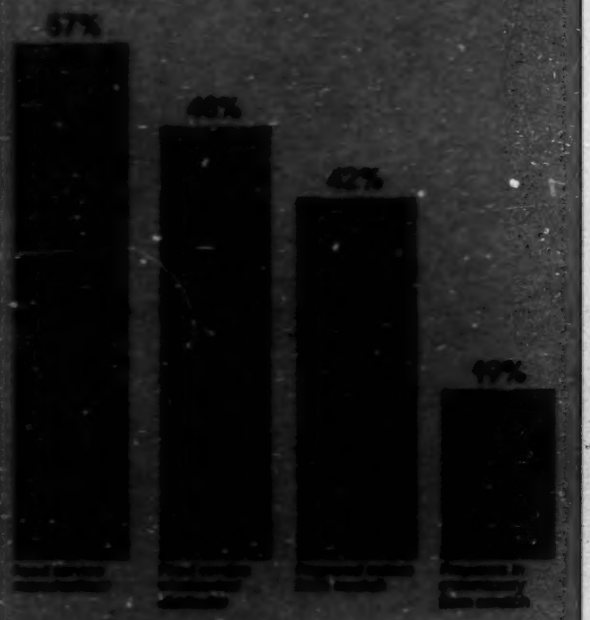
Commissaries
% Companies Having Company-Operated Commissary From Which Stores Order

Have Commissary	18%
Do not have commissary	82
Total	100%

Main Function of Commissary

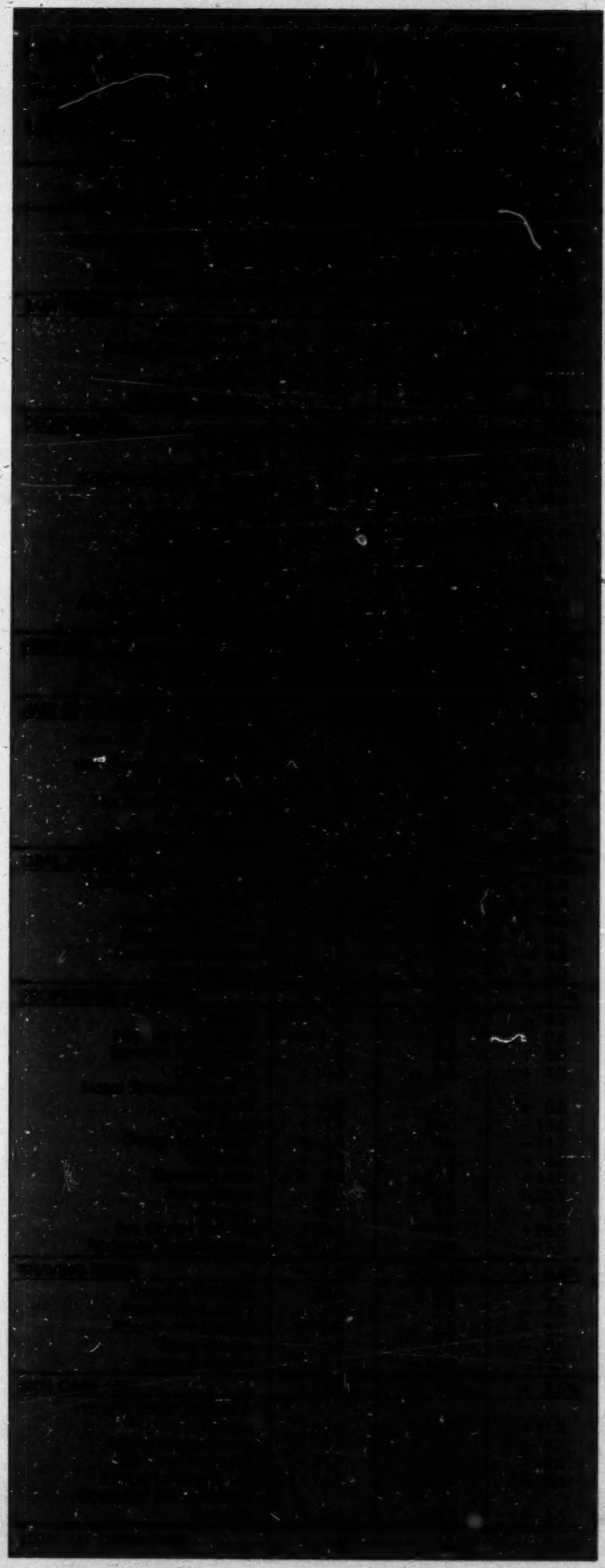
Preparation from scratch ingredients	50%
Ordering from food-service suppliers	50
Total	100%

Sources of Deli Salads
% Stores Using



Special Areas for Consuming Foods Sold from Deli On Premises

% Stores Offering	
Have facilities	27%
No facilities	73
Total	100%



SAMI UPDATE:

Tiny April Gain in HBA Food Store Unit Volume Offsets Tiny Loss in March

Food tonnage rates so far in 1985 have been moving on a "give a little, take a little" basis. All product departments have been pretty much in limbo. During the four weeks ending April 26, 1985, unit sales in all categories measured by SAMI fell 1.1 percent in comparison with the corresponding period a year ago. HBA unit volume staged a modest comeback from the 0.5 percent loss in March, but the gain amounted to just 0.6 percent. By department, the best performance was in the dry grocery: non-food area as a result of strong gains in several household cleaning compound and paper product categories.

Five health and beauty aids groups had four-week increases in unit volume through food stores, while three saw losses. The best performance was a 7.5 percent gain for skin care aids; first aid products performed almost as well, with a gain of 7.3 percent.

The group with the highest loss rate was oral hygiene— down 3.1 percent in four-week unit sales. The deodorant product group was ahead, but only by 2,000 units out of nearly 24 million in all eight categories combined.

Hair setting growth

At the category level, gains outpaced losses by a ratio of 28 to 22. In the preceding period, there were only 20 HBA categories showing increases, compared to 30 with losses. Still showing a dynamic growth rate, in excess of 200 percent, was hair setting needs, where hair styling mousse items continue to proliferate.

Eye care products are in high gear, and the rate of increase was 26.5 percent above the April 1984 posting. Infant clothes had a decline rate of 21.6 percent and sharp drops were registered in the high-volume cough remedies category (−11.7 percent) and in appetite supressants (−17.2 percent).

SAMI tracks four HBA categories of baby needs. In this most recent reporting period there were two with gains—nursing supplies, with an increase of 7.1 percent; and baby oils, creams & lotions, which were ahead 1.1 percent. The loss among infant clothes items hit 21.6 percent, representing a 28-day decline of 260,000 units. The four-week loss rate of 1.3 percent for baby powders is near the 12-week decline of 1.1 percent, or an annual trend of minus 1.7 percent.

In the deodorant product group, there were four categories with unit volume increases and the same number with declines. The best growth rate was 16.2 percent for foot deodorants and athlete's foot remedies. Stick deodorants/anti-perspirants continued to gain share in this product group, and their four week increase in sales, amounting to 9.32 percent, was higher than the 7.9 percent for the 12 weeks or the 5.8 percent gain for the full year.

Feminine douche products were also on the upturn, ahead 9.0 percent, the highest four-week rate of gain since SAMI began to track these products.

For the first time in many months, there was an increase in the deodorant and talcum powder category. This turnaround was due in large measure to the stronger performance of Shower to Shower deodorant powder. Perhaps the most significant loss rate among deodorants was the 9.4 percent drop among sprays. The weakness of body sprays helps to account for the poor category performance. Cream deodorants continued a relentless downward journey and roll-ons again lost share to sticks.

First aid sales good

The class of first-aid antiseptics with the highest sales vitality was creams, lotions & ointments, which grew at a 23.9 percent rate. A 15.3 percent gain among adhesive bandages helped the growth rate in the first aid products category.

The focal point in the hair care needs section continues to be hair setting needs, the reporting category for hair styling mousse products. These items have not lost momentum as new brands and items expand category volume. Gains in the neighborhood of two percent were recorded for shampoo (+2.0 percent), hair dressing needs (+1.9 percent) and hair conditioning rinses (+1.7 percent).

Despite the competitive struggle in the dentifrice pump derby and the plaque reduction copy claims, unit sales of toothpaste and powder products continued on a downward path. The 6.6 percent loss rate for the four weeks translates to nearly 2.2 million units. Sales of denture adhesives dropped 3.2 percent and denture cleaners fell behind 0.2 percent.

In analysing sales performance in all 50 HBA categories that SAMI monitors, it is obvious that in recent months there have not been as many innovative new products to expand sales in their categories as was the case in recent years. Products such as dentifrice pumps, ibuprofen analgesics and segmented shampoo items have gained new converts but at the expense of existing brands. ■